



650 Capitol Mall, 5th Floor
Sacramento, CA 95814
916.445.5511 FAX 916.445.7297
<http://calwater.ca.gov>

Agenda Item: 7
Meeting Date: October 12, 2006

CALIFORNIA BAY-DELTA AUTHORITY

DELTA VISION AND THE INTEGRATION OF OTHER ACTIVITIES

Description: An oral report will be presented at the meeting.

List of Attachments

- Attachment 1 – Delta Vision Press Release dated September 28, 2006
- Attachment 2 – Executive Order S-17-06, Delta Vision
- Attachment 3 – Letter from Northern California Water Association regarding Bay Delta Conservation Plan dated July 27, 2006
- Attachment 4 – Response from California Resources Agency, dated August 29, 2006 to August 2, 2006 letter from California Urban Water Agencies (Attachment 4-A) regarding Delta Vision initiative

Contact

Rod Meade

Phone: (916) 445-0143



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

PRESS RELEASE

09/28/2006 GAAS:697:06 FOR IMMEDIATE RELEASE

Gov. Schwarzenegger Signs Legislation, Executive Order to Develop Strategic Vision for Delta

In conjunction with the signing of SB 1574 by Sheila Kuehl (D-Santa Monica), Gov. Schwarzenegger signed an executive order to develop a Delta Vision to provide a sustainable management program for the Sacramento-San Joaquin Bay Delta, a unique natural resource of local, state and national significance.

"We must address the health of the delta because our current practices are not sustainable," said Gov. Schwarzenegger. "My executive order and the signing of this bill will help ensure that a plan exists to determine how to deal with the challenges facing the delta today and in the future."

The Delta Vision builds on work done through the CALFED Program, which will continue to focus on water supply and ecosystem restoration. Delta Vision will encompass the Delta's full array of infrastructure and land-use resources.

Failure to formulate a sustainable management program for the Delta would prove disastrous. Delta water sustains more than 500,000 people who live in the Delta, more than 300,000 acres of agriculture within the Delta, 750 plant and animal species that call the Delta home, as well as more than 23 million Californians and 7 million irrigated agriculture acres throughout the state. Additionally, energy, communications and transportation facilities traverse the Delta and are vital to the economic health of California.

SB 1574 will create a cabinet-level committee chaired by the Secretary of the Resources Agency and include the Secretary of the Business, Transportation, and Housing Agency, the Secretary for Environmental Protection, the Secretary of Food and Agriculture, the President of the Public Utilities Commission, the Director of the Department of Finance and the Director of the Office of Planning and Research to develop a plan for a sustainable delta.

The bill requires the strategic vision developed by the committee including the following factors:

- A. Sustainable ecosystem functions, including aquatic and terrestrial flora and fauna.
- B. Sustainable land use and land use patterns.
- C. Sustainable transportation uses, including streets, roads and highways and waterborne transportation.
- D. Sustainable utility uses, including aqueducts, pipelines and power transmission corridors.
- E. Sustainable water supply uses.
- F. Sustainable recreation uses, including current and future recreational and tourism uses.
- G. Sustainable flood management strategies.
- H. Other aspects of sustainability deemed desirable by the committee.

In addition, the Governor signed the following bills that relate to the Delta and water quality issues:

AB 797 by Assemblymember Lois Wolk (D-Davis) - Sacramento-San Joaquin Delta.

AB 798 by Assemblymember Lois Wolk (D-Davis) - Delta levee maintenance.

AB 1245 by Assemblymember Lois Wolk (D-Davis) - West Sacramento Area Flood Control Agency.

AB 1881 by Assemblymember John Laird (D-Santa Cruz) - Water conservation.

AB 2515 by Assemblymember Ira Ruskin (D-Redwood City) - Water conservation: report.

EXECUTIVE ORDER S-17-06

WHEREAS the Sacramento-San Joaquin Delta estuary, including Suisun Bay and Marsh (hereafter "Delta"), supports a unique and irreplaceable combination of environmental and economic resources. The Delta is a source of water for farmlands, growing communities and businesses and provides a unique estuarine habitat for many resident and migratory fish and birds, some listed as threatened or endangered species. It is an area that supports vital energy, transportation, communications and water facilities, and important agricultural, recreational and cultural resources. The Delta is of state and national significance and must be protected and managed effectively for the future well being of the people and the environment; and

WHEREAS the Delta is intersected by highways, roads, and utility lines critical to regional, state and interstate commerce and economy; and

WHEREAS the Delta is the hub of California's two largest water distribution systems, the federal Central Valley Project and State Water Project, and at least 7,000 other permitted water diverters have developed water supplies from the watershed feeding the Bay-Delta estuary, providing drinking water to about 23 million people and irrigation water to about 7 million acres of highly productive agricultural lands; and

WHEREAS recent events like the Lower Jones Tract levee failure and Hurricane Katrina, and recent findings that indicate a two in three chance of a major earthquake occurring in or near the Delta in the next fifty years, have raised awareness and concerns about the vulnerability of Delta levees. Failure of Delta levees can have devastating consequences on farms, communities, roads, railways, power and fuel transmission lines, water conveyance and quality, wildlife resources, and the local and state economy; and

WHEREAS threats such as an aging levee system, regional climate change, rising sea levels, seismic events and urbanization pose an imminent threat to the Delta; and

WHEREAS recent legislation, a number of planning efforts and scientists have affirmed that current uses and ecosystem health in the Delta are unsustainable over the long-term; and

WHEREAS there is growing recognition that prior Delta and Suisun strategic planning efforts have been too narrowly focused on only a few of the Delta's many uses and resources; and

WHEREAS the combined threats and changing conditions within the Delta require immediate attention because of the potentially catastrophic environmental and economic consequences if timely action is not planned for and undertaken; and

WHEREAS the existing complex system of Delta governance has been criticized because no one level of government is fully in charge, or capable of responding in an orderly and effective way to address and mitigate the range of threats to the Delta.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power vested in me by the Constitution and statutes of the State of California, do hereby order effective immediately:

1. I hereby initiate the Delta Vision and establish an independent Blue Ribbon Task Force to develop a durable vision for sustainable management of the Delta. Making the Delta more sustainable will require a concerted, coordinated and creative response from leaders at all levels of government, stakeholders, academia and affected communities, and will require significant private and public partnerships and investments. The Delta Vision is designed to accomplish these goals:

(a) Meet the requirements of Assembly Bill 1200 (Water Code Sections 139.2 and 139.4), Assembly Bill 1803 (Water Code Section 79473) and SB 1574.

(b) Coordinate and build on the many ongoing but separate Delta planning efforts.

(c) Assess the risks and consequences to the Delta's many uses and resources in light of changing climatic, hydrologic, environmental, seismic, and land use conditions. This assessment will look at:

- The environment, including aquatic and terrestrial functions and biodiversity.
- Land use and land use patterns, including agriculture, urbanization, and housing.
- Transportation, including streets, roads, highways, waterways, and ship channels.
- Utilities, including aqueducts, pipelines, and gas/electric transmission corridors.
- Water supply and quality, municipal/industrial discharges and urban and agricultural runoff.
- Recreation and tourism, including boating, fishing, and hunting.
- Flood risk management, including levee maintenance.
- Emergency response.
- Local and state economies.

(d) Develop a program for sustainable management of the Delta's multiple uses, resources and ecosystem. Sustainable management of the Delta means managing the Delta over the long term to restore and maintain identified functions and values that are determined to be important to the environmental quality of the Delta and the economic and social well being of the people of the state. As part of the Delta Vision, priority functions and values will be identified, and measures necessary to provide long-term protection and management will be evaluated.

(e) Develop a Strategic Plan to implement findings and recommendations for public policy changes, public and private investment strategies, Delta-Suisun preparedness and emergency response plans for near-term catastrophic events, levee maintenance options, and how to monitor and report performance.

(f) Develop recommendations on institutional changes and funding mechanisms necessary for sustainable management of the Delta. Recommendations may include a discussion of oversight, land use and implementation authorities.

(g) Inform and be informed by current and future Delta planning decisions such as those pertaining to the CALFED Bay-Delta Program, Bay Delta Conservation Plan, Suisun Marsh Plan, Water Plan, updates of related General Plans, transportation and utilities infrastructure plans, integrated regional water management plans, and other resource plans.

2. The Secretary of the Resources Agency as chair, and the Secretaries of the Business, Transportation and Housing Agency, Department of Food and Agriculture and the California Environmental Protection

Agency, along with the President of the Public Utilities Commission shall be the Delta Vision Committee, for the Delta Vision. They shall undertake the following:

- (a) Explore entering into agreements with private and non-governmental organizations to receive funding for Delta Vision. In addition, the Director of Finance may also accept monetary and in kind contributions to support the activities of the Delta Vision.
- (b) Create a Stakeholder Coordination Group to involve local government, stakeholders, scientists, engineers, and members of the public in this effort to develop a Delta Vision.
- (c) Select Delta Science Advisors from diverse scientific disciplines to provide independent review and advice to the Blue Ribbon Task Force on technical, scientific, and engineering data, analyses, and reports.
- (d) Report to the Governor and the Legislature by December 31, 2008 with recommendations for implementing the Delta Vision and Strategic Plan.

3. I will appoint the members of a Blue Ribbon Task Force to include diverse expertise and perspectives, policy and resource experts, strategic problem solvers, and individuals having successfully resolved multi-interest conflicts. The Task Force will seek input from a broad array of public officials, stakeholders, scientists, and engineers. The Task Force will prepare an independent public report that will be submitted to the Delta Vision Committee and Governor that sets forth its findings and recommendations on the sustainable management of the Delta by January 1, 2008 and a Strategic Plan to implement the Delta Vision by October 31, 2008.

4. Upon submittal of the Delta Vision Committee's recommendations to the Governor and Legislature, the Delta Vision initiative shall terminate unless extended by another executive order.

5. This order is not intended to create, and does not create, any right or benefit, whether substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, agents, or any other person.

IN WITNESS WHEREOF I have here unto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of September 2006.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:

BRUCE McPHERSON
Secretary of State



July 27, 2006

Karen Scarborough
Undersecretary
Resources Agency
1416 9th Street, Suite 1311
Sacramento, CA 95814

Re: BDCP- Geographic Scope

Dear Ms. Scarborough:

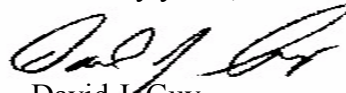
The Northern California Water Association (NCWA) and its counsel have reviewed the July 11 draft "Planning Agreement regarding the Bay Delta Conservation Plan" (BDCP) and have serious concerns with the BDCP's geographic scope. Put plainly, this appears to be a planning agreement for a broad Central Valley conservation plan--not a Bay-Delta conservation plan. For example, section 5.1 of the draft Planning Agreement contemplates that numerous Delta tributaries may be added to the BDCP, including some clearly within the Sacramento Valley.

NCWA has been very supportive of the Delta Vision process and the continuing efforts to improve the Bay-Delta ecosystem and to provide meaningful assurances for reliable export water supplies. We strongly believe, however, that the BDCP planning area should be expressly limited to the Delta. Issues in the Delta are driving interest in, and movement toward, a BDCP. Reaching beyond the Delta will create a process that is unprecedented in scope and complexity and revisit the overwhelming problems CALFED faced. We instead urge you and the other interested parties to focus on a Delta-centric habitat plan that can be successful in meeting the pressing needs of the Delta. By focusing on the Delta successfully, the agencies later can coordinate with parties upstream of the Delta to facilitate the ongoing conservation efforts in these areas.

The Sacramento Valley region is a unique mosaic of farm lands, waterfowl habitat, spawning grounds for numerous fish species, and the various cities and rural communities. To provide water supplies and improve water quality for all these diverse purposes, public agencies have developed and continue to refine an integrated regional water management program for the Sacramento Valley. (See www.norcalwater.org.) We have also partnered on numerous occasions with diverse parties throughout the state to help improve water quality, habitat conditions and to help meet supplemental water supply needs outside the region. Our integrated regional plan contains a conservation element that highlights the significant improvements that have been made throughout the region for fish, birds and other species and the continuing efforts we will pursue to enhance and improve water supplies and the ecosystem in this region. We intend to work toward integrating this plan with the solutions that ultimately are developed for the Delta.

We expressed similar concerns to the Bay-Delta Authority (Authority) on December 19, 2005 (see attached), at which time the Authority clearly directed the agencies to initially focus on the Bay-Delta and to then subsequently consider how to approach upstream issues in the Central Valley. We urge the agencies to follow the direction of the Authority and limit the initial planning area to the Bay and legal Delta as defined in Water Code section 12220.

Sincerely yours,



David J. Guy
Executive Director

cc: Michael Chrisman
Lester Snow
Ryan Broddrick
Joe Grindstaff

**City of Sacramento
East Bay Municipal Utility District
Northern California Water Association
Sacramento County Water Agency
San Francisco Public Utilities Commission
San Joaquin River Group Authority**

December 19, 2005

California Bay-Delta Authority
650 Capitol Mall, 5th Floor
Sacramento, CA 95814

Dear Members of the California Bay-Delta Authority:

The undersigned agencies have been carefully following the development of a long-term finance plan for the CALFED Bay-Delta Program through its various phases over the last two years. In the last two months, negotiations between the resource agencies and water interests have centered on a broad-scale Habitat Conservation Plan and Natural Communities Conservation Plan (HCP/NCCP) as the means to secure water user financial support for the Ecosystem Restoration Program (ERP).

This proposed HCP/NCCP would be unprecedented in scope and complexity, encompassing the Delta as well as the Sacramento and San Joaquin valleys. We are very concerned that in proposing an enormously complex HCP/NCCP, CALFED is reinventing precisely the problem that has precipitated its current crisis. Such a strategy for the ERP takes CALFED in exactly the wrong direction, imposing an unwieldy and overambitious planning effort for the ERP. *The HCP/NCCP approach could provide significant value, however, if it is limited to the Delta.*

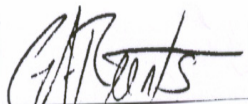
The Governor's May Revise budget specifically called for CALFED to "re-focus the efforts of the California Bay-Delta Authority and the other CALFED state agencies on solving conflicts associated with Delta water supply, water quality, levee stability, *and the environment*" [emphasis added]. In a partial response to this directive, CALFED has identified the most essential projects related to water quality and conveyance, in recognition of its limited resources. This is a vital step in aligning the program's goals with its financial means, and has been strongly supported by the water community.

However, the ERP also needs the same re-focusing to avoid the pitfall of pursuing too many solutions with too few resources. We urge you to develop a single, Delta-centric habitat plan that can receive the proper level of attention and support from all beneficiaries and stakeholders. Attached are several suggested edits to the draft 10-Year Action Plan, consistent with this request.

Members of the California Bay-Delta Authority
December 19, 2005
Page 2

We commend CALFED and the implementing agencies for their commitment to revitalizing the program. A realistic habitat plan that retains a focus on the Delta offers the best hope of building support from a broad range of water users.

Sincerely,



Gary Reents, Director
City of Sacramento Utilities Department



Dennis M. Diemer, General Manager
East Bay Municipal Utility District



David Guy, Executive Director
Northern California Water Association



Keith Devore, Director
Department of Water Resources
Sacramento County Water Agency



Susan Leal, General Manager
San Francisco Public Utilities Commission



Allen Short, Coordinator
San Joaquin River Group Authority

Attachment

Page 5 Members of the California Bay-Delta Authority
December 19, 2005
Page 3

cc: Mike Chrisman, Resources Agency Secretary
Joe Grindstaff, Interim Director, California Bay-Delta Authority



A G E N C Y

August 29, 2006

Mr. Paul Piraino, Chair
California Urban Water Agencies
455 Capitol Mall, Suite 705
Sacramento, CA 95814

Dear Mr. Piraino,

Thank you for your recent letter providing comments about the scope, process, products and potential success of the Delta Vision process. Your organization has provided a number of helpful comments and critiques through the CALFED Bay-Delta Program and I look forward to an ongoing dialogue through Delta Vision as well.

The Vision process will assess existing and future risks and consequences to the Delta's many uses and resources, and recommend policy and management options to address these risks and promote sustainability.

Additionally, the Vision will be informed by several ongoing water-related efforts including the Delta Risk Management Strategy, CALFED, and the emerging Bay-Delta Conservation Plan, and also by ongoing transportation, utility and land-use planning processes. I agree that it is incumbent upon us to make sure that the linkages – and the Delta Vision process as a whole – are clearly defined as we move forward.

I look to you and the California Urban Water Agencies and other stakeholders to provide not only technical expertise, but also guidance for the eventual policy recommendations that will be made as a result of Delta Vision. In fact, the ultimate success of Delta Vision will be driven by all of us working together.

I appreciate the good work of the California Urban Water Agencies and look forward to an ongoing relationship in pursuit of a vibrant and sustainable Delta.

Sincerely,

MIKE CHRISMAN
Secretary for Resources

cc: Secretary Linda Adams, California Environmental Protection Agency
Secretary Sunne Wright McPeak, Business, Transportation and Housing Agency
Secretary A.G. Kawamura, Department of Food and Agriculture
Director Joe Grindstaff, CALFED Bay-Delta Program
Director Lester Snow, Department of Water Resources
Director Ryan Broddrick, Department of Fish and Game

1416 Ninth Street, Suite 1311, Sacramento, CA 95814 Ph. 916.653.5656 Fax 916.653.8102 <http://resources.ca.gov>



CALIFORNIA URBAN WATER AGENCIES

2006 AUG 2 24

August 2, 2006

Secretary Linda Adams
California Environmental Protection Agency
1001 I Street, P.O. Box 2815
Sacramento, CA 95812-2815

Secretary A.G. Kawamura
California Department of Food and Agriculture
1220 N Street, Room 400
Sacramento, CA 95814-560

Secretary Mike Chrisman
Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Secretary Sunne Wright McPeak
Business, Transportation & Housing Agency
980 9th Street, Suite 2450
Sacramento, CA 95814-2719

Dear Secretaries Adams, Kawamura, Chrisman and McPeak:

This letter offers comments to you as leaders of the Governor's upcoming Delta Vision initiative. We understand that the Governor's initiative will be aimed at developing a long-term vision of the Delta over the next century. As you know, a great deal of public dialogue has begun, including discussions at meetings of the CALFED Bay-Delta Public Advisory Committee, the California Bay-Delta Authority, the Delta Vision Conference at the University of the Pacific on June 6 and 7, recent water conferences, in the press and elsewhere.

California Urban Water Agencies (CUWA) has previously provided comments to the Bay-Delta Authority on this matter including:

- March 27 letter, forwarding a white paper identifying cost allocation issues
- March 31 letter, suggesting a focused scope and process, including four principal tasks
- May 24 letter, recommending more specifics on near-term process and products

This letter supplements our earlier letters and lays out recommendations for a successful Delta Vision. Much of this is based on what we heard in recent public discussions, combined with strategic discussions among our member agencies. We do not address legal authorities, organizational structure or specific decision-making details. We offer CUWA's definition of what a successful outcome will be.

Developing a Delta Vision: Scope, Defining Success, Process, Products

Scope: It was clear from presentations and discussions at the Delta Vision Conference that many people and organizations are aware of the interrelationships among Delta levees and

455 Capitol Mall, Suite 705, Sacramento, CA 95814 916.552.2929 FAX 916.552.2931

City of Sacramento
Alameda County Water District
San Diego County Water Authority
Metropolitan Water District of Southern California

San Francisco Public Utilities Commission
City of San Diego Water Department
Santa Clara Valley Water District

Zone 7 Water Agency
Contra Costa Water District
East Bay Municipal Utility District
Los Angeles Department of Water & Power

urban development, transportation, utility corridors, farming, recreation, fisheries, water quality and water supply. The scope of this effort must acknowledge the full range of Delta uses, and be aimed at providing a long-term vision and general investment guidance where the interests of each use category overlap. The scope must also provide additional detail and guidance on investments in measures that directly address long-term sustainability of water supply reliability, water quality, Delta fisheries and the Delta's levees. These elements should be implemented in a balanced manner with appropriate linkages among the elements, costs and benefits. In doing so it is important to recognize that Delta levee investments are not the only issue, and therefore not the only investments that will be needed. While the scope should consider the full range of land uses in its development, it should not develop a detailed land use plan for the Delta which is the purview of local agencies (in cooperation with the Delta Protection Commission in the case of the Primary Zone, for which it has specific land use and resource management planning roles).

An essential point we made in earlier letters (and reinforced below) is agreeing to measures of success at the start of the process. This will help focus the effort on specific products, set the time line, and promote realistic expectations.

CUWA Definition of Success. A successful outcome is a vision that will embrace a full complement of actions that address the long-term needs of water supply reliability, Delta fisheries, water quality and the Delta's levees (for the full range of uses they protect), and guide the investments of federal, state and other funds. Delta levee investments alone will not be sufficient to meet all needs. Strategic actions should be developed to help sustain water supply reliability, Delta fisheries, water quality and Delta levees. These actions should be developed based in part on outcomes of ongoing scientific fishery investigations. Too much is at stake for the future of Californians and our environment to do otherwise.

Process. CUWA suggests defining the full process up front. Participants need to know where this is heading and how it will proceed. The process needs to have direct links to other related processes, including: (1) the Delta Risk Management Strategy (DRMS), (2) the AB 1200 review and reports, (3) the end of Stage 1 of the CALFED Bay-Delta Program, and (4) the emergence of the Bay Delta Conservation Plan (BDCP).

In addition, California's political process makes it imperative that key members of the Legislature have input, particularly those who represent a portion of the Delta.

Strong leadership is essential in keeping this effort on track. An initial scoping (or purpose and needs) document should be released within the next two months to get discussion underway and make the scope as clear as possible. Given the timelines for development of State budgets and other considerations, we recommend that the final report and recommendations be adopted by October 2007.

Products. We suggest products in the following order:

1. Uses Paper. Comprehensive list of uses in the Delta dependent on Delta infrastructure

2. Scenarios Report. This would identify logical long-term potential future scenarios for the Delta, ranging from “no action” to a recommended long-term Vision. This should form the basis for public discussion towards the end of the process.
3. Final Delta Vision Plan. This will be the conceptual guide to state and federal investments, identifying the geographic, institutional and environmental “vision” foundational to addressing long-term, sustainable water supply reliability, Delta fisheries, water quality and Delta levees. It should recognize that state and federal investments will guide and inform, but not mandate, investments by others.

In addition, the Delta Vision should take advantage of the benefit/cost work being developed as part of the Delta Risk Management Strategy.

CUWA expects to be an active participant in the Delta Vision efforts. If you or your staffs have any questions regarding our comments, please contact CUWA Executive Director Steve Macaulay at (916) 552-2929.

Sincerely,



Paul Piraino, Chair
CUWA Board of Representatives

cc: Joe Grindstaff, Executive Director
California Bay-Delta Authority

Lester Snow, Director
Department of Water Resources

Ryan Broddrick, Director
Department of Fish and Game